

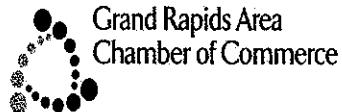
- ♦ **Balance the budget without tax hikes**
- ♦ **Implement substantive spending reforms**
 - ♦ **Examine Michigan's tax structure to improve business climate and create jobs**

National Federation of Independent Businesses
Michigan Distributors & Vendors Association
Small Business Association of Michigan
Michigan Grocers Association
Michigan Retailers Association
Michigan Bankers Association
Michigan Business & Professional Association
Michigan Association of Insurance Agents
Kalamazoo Regional Chamber



Michigan Chamber of Commerce
Detroit Regional Chamber
Grand Rapids Area Chamber of Commerce
Lansing Regional Chamber
Associated Builders & Contractors of Michigan
Michigan Association of Home Builders
Michigan Manufacturers Association
Michigan Association of Realtors
Michigan Restaurant Association
Michigan Soft Drink Association

Michigan's job creators large and small across the state are speaking with one voice to demand that this moment of crisis be turned into an opportunity to reform and revitalize Michigan now and for the future



Michigan Forest Products Council
Business Advocacy for the Forest Products Industry



Michigan Soft Drink Association

Business Group Reform Discussion

Reform Revitalizes Michigan

- If reform was easy, it would have been done already.
- The business community is prepared to stand by those who support reform and hold accountable those who would stand in the way.
- The worst choice is to do nothing.
- None of these reforms will independently solve the current budget crisis, in fact many are long-term reforms that may take several years to produce significant savings, but the failure to enact these reforms after the tax increases of 2007 has contributed directly to the current fiscal crisis.

Education Reform Revitalizes Michigan

- Require all new teachers hired by a date certain in the future to have defined contribution, rather than defined benefit, retirement plans **(\$87 million¹)**
- Move all administrative functions of local schools to the ISD, leaving local school boards with only academic and athletic functions
- Require that school districts competitively bid all non-core functions, including transportation, food service, and custodial work. **(\$100-300 million²)**
- Reduce the number of school districts **(\$300 million³)**
- School Employees Pay 25% of Health Insurance Costs **(\$650 million⁴)**
- Cap School Superintendant Pay **(\$6.1 million⁵)**

Corrections Reform Revitalizes Michigan

- Reduce mandatory minimum sentences and increase parole rates for all crimes **(\$200 – 400 million⁶)**
- Competitively bid all food service, mental health services, and transportation in prisons **(\$25 million for food service alone⁷)**

Government Employee Reform Revitalizes Michigan

- Pool all health care plans for public employees **(\$315 million⁸)**
- Increase minimum retirement/years of service for all public employees to be eligible for retirement benefits **(\$265 million⁹)**
- Increase state employee and retiree health care premium co-pays **(\$25-\$60 million¹⁰)**
- Reduce state worker health benefits to national average **(\$269 million¹¹)**

Continued....

Business Group Reform Discussion

Local Government Reform Revitalizes Michigan

- Reform Public Act 312 to change arbitration standards for police and fire (**\$80 million**¹²)
- Reform Urban Cooperation Act and two other similar acts to eliminate requirement that when a service merger occurs, the higher wage and benefits must be paid (**\$350 million**¹³)
- Exempt government construction from prevailing wage statutes (**\$250 million**¹⁴)
- Outlaw project labor agreements on projects funded with taxpayer dollars
- Eliminate road patrol function of Michigan State Police and let county sheriffs take over that function (**\$65 million**¹⁵)

State Government Reform Revitalizes Michigan

- Establish an Office of Medicaid Inspector General to specifically investigate Medicaid fraud (**\$70 million**¹⁶)
- Require program efficiency studies in all government programs to eliminate waste (**\$360 million**¹⁷)
- Eliminate undocumented and potentially fraudulent child care payments (**\$231 million**¹⁸)

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Footnotes follow...

Business Group Reform Discussion

Footnotes

- ¹ "Budget Action Plan: Restructuring Options to the State Legislature." Public Sector Consultants. August 2008. http://www.detroitrenaissance.com/files/DetRen_Final091708.pdf
- ² Mackinac Center for Public Policy
- ³ "Driving More Money Into the Classroom: The Promise of Shared Services." Deloitte Consulting. http://www.deloitte.com/dtt/cda/doc/content/DTT_DR_SS_Education_Nov05.pdf and state breakdown via "FY 2008-09 Initial Appropriations Report." Senate Fiscal Agency. <http://www.senate.michigan.gov/sfa/publications/approps/initial2009.PDF#page=142>
- ⁴ Mackinac Center for Public Policy, "Budget Action Plan: Restructuring Options to the State Legislature." Public Sector Consultants. August 2008. http://www.detroitrenaissance.com/files/DetRen_Final091708.pdf and "State and Local Government Finances by Level of Government and by State: 2005-06." U.S. Census Bureau. http://www.census.gov/govs/estimate/0623misl_1.html
- ⁵ Center for Michigan
- ⁶ Citizens Research Council (2006), Detroit Renaissance/Public Sector Consultants (2008), Legislative Commission on Government Efficiency, November 2009
- ⁷ Michigan Auditor General (2008) Legislative Commission on Government Efficiency, November 2009
- ⁸ University of Michigan School of Public Health
- ⁹ Center for Michigan Issue Guide – May 2009 "Budget Action Plan: Restructuring Options to the State Legislature." Public Sector Consultants. August 2008. http://www.detroitrenaissance.com/files/DetRen_Final091708.pdf
- ¹⁰ House Fiscal Agency analysis of HB 5624 – 10 to 15% = \$25 million; 10 to 10% = \$60 million
- ¹¹ Center for Michigan Issue Guide – May 2009 "Budget Action Plan: Restructuring Options to the State Legislature." Public Sector Consultants. August 2008. http://www.detroitrenaissance.com/files/DetRen_Final091708.pdf
- ¹² Center for Michigan Issue Guide – May 2009 "Task Force on Local Government Services and Fiscal Stability: Final Report to the Governor." May 2006. <http://www.baycountymi.gov/Docs/Executive/Reports/Task%20force%20on%20Local%20Government%20Services.pdf>
U.S. Census Bureau. http://www.census.gov/govs/estimate/0623misl_1.html
- ¹³ Legislative Commission on Government Efficiency, November 2009
- ¹⁴ Prevailing Wages and Construction Costs By Dr. Richard Vedder | Sept. 2, 1999
- ¹⁵ How to Save \$2.2 Billion Spring 2009 Version By Mr. Jack P. McHugh | May 15, 2009
- ¹⁶ Michigan Auditor General (2008)
- ¹⁷ Legislative Commission on Government Efficiency, November 2009: Personnel Practices: \$230 million; Information Technology: \$130 million; Purchasing: \$30 million.
- ¹⁸ Michigan Auditor General (2008)

**Average Single Premium per Enrolled Employee for
Employer-Based Health Insurance—2009**

	Employee Contribution %	Employer Contribution %	Total %
United States	20%	80%	100%
Alabama	22%	78%	100%
Alaska	14%	86%	100%
Arizona	20%	81%	100%
Arkansas	20%	80%	100%
California	17%	83%	100%
Colorado	21%	79%	100%
Connecticut	22%	78%	100%
Delaware	22%	78%	100%
District of Columbia	18%	82%	100%
Florida	22%	78%	100%
Georgia	21%	80%	100%
Hawaii	11%	89%	100%
Idaho	18%	82%	100%
Illinois	21%	79%	100%
Indiana	22%	78%	100%
Iowa	19%	81%	100%
Kansas	23%	77%	100%
Kentucky	23%	77%	100%
Louisiana	20%	80%	100%
Maine	19%	81%	100%
Maryland	23%	77%	100%
Massachusetts	25%	75%	100%
Michigan	19%	81%	100%
Minnesota	22%	78%	100%
Mississippi	22%	78%	100%
Missouri	23%	77%	100%
Montana	17%	83%	100%
Nebraska	20%	80%	100%
Nevada	18%	82%	100%
New Hampshire	21%	79%	100%
New Jersey	21%	79%	100%
New Mexico	21%	79%	100%
New York	21%	79%	100%
North Carolina	21%	79%	100%
North Dakota	21%	79%	100%
Ohio	25%	75%	100%

Average Single Premium per Enrolled Employee for Employer-Based Health Insurance

Oklahoma	19%	81%	100%
Oregon	13%	87%	100%
Pennsylvania	19%	81%	100%
Rhode Island	24%	76%	100%
South Carolina	20%	80%	100%
South Dakota	21%	79%	100%
Tennessee	22%	78%	100%
Texas	22%	78%	100%
Utah	18%	82%	100%
Vermont	20%	80%	100%
Virginia	23%	77%	100%
Washington	13%	87%	100%
West Virginia	23%	77%	100%
Wisconsin	20%	80%	100%
Wyoming	16%	85%	100%

Notes:

Figures may not sum exactly due to rounding.

Sources:

Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2009 Medical Expenditure Panel Survey (MEPS) -Insurance Component. Tables II.C.1, II.C.2, II.C.3 available at: Medical Expenditure Panel survey (MEPS), accessed July 15, 2010.

Definitions and descriptions of the methods used for this survey are also available.

Definitions:

MEPS: The Medical Expenditure Panel Survey IC is an annual survey of establishments that collects information about employer-sponsored health insurance offerings in the United States.

Source: <http://www.statehealthfacts.org/comparetable.jsp?ind=270&cat=5>

**Average Family Premium per Enrolled Employee for
Employer-Based Health Insurance—2009**

	Employee Contribution %	Employer Contribution %	Total %
United States	27%	73%	100%
Alabama	28%	72%	100%
Alaska	29%	71%	100%
Arizona	28%	72%	100%
Arkansas	27%	73%	100%
California	28%	72%	100%
Colorado	25%	75%	100%
Connecticut	25%	75%	100%
Delaware	27%	73%	100%
District of Columbia	26%	75%	100%
Florida	33%	67%	100%
Georgia	28%	72%	100%
Hawaii	24%	76%	100%
Idaho	27%	73%	100%
Illinois	25%	75%	100%
Indiana	25%	75%	100%
Iowa	27%	74%	100%
Kansas	27%	74%	100%
Kentucky	28%	73%	100%
Louisiana	30%	70%	100%
Maine	28%	72%	100%
Maryland	27%	74%	100%
Massachusetts	28%	72%	100%
Michigan	21%	79%	100%
Minnesota	28%	72%	100%
Mississippi	31%	69%	100%
Missouri	30%	71%	100%
Montana	34%	66%	100%
Nebraska	29%	71%	100%
Nevada	23%	77%	100%
New Hampshire	26%	75%	100%
New Jersey	23%	77%	100%
New Mexico	28%	72%	100%
New York	22%	78%	100%
North Carolina	30%	70%	100%
North Dakota	28%	72%	100%
Ohio	31%	69%	100%

Average Family Premium per Enrolled Employee for Employer-Based Health Insurance—2009

Oklahoma	27%	73%	100%
Oregon	22%	78%	100%
Pennsylvania	21%	79%	100%
Rhode Island	27%	73%	100%
South Carolina	28%	72%	100%
South Dakota	29%	71%	100%
Tennessee	31%	69%	100%
Texas	30%	70%	100%
Utah	25%	75%	100%
Vermont	26%	74%	100%
Virginia	30%	70%	100%
Washington	27%	73%	100%
West Virginia	22%	78%	100%
Wisconsin	20%	80%	100%
Wyoming	23%	77%	100%

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Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2009 Medical Expenditure Panel Survey (MEPS) -Insurance Component. Tables II.C.1, II.C.2, II.C.3 available at: [Medical Expenditure Panel survey \(MEPS\)](#), accessed July 15, 2010.

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**Average Employee Plus One Premium per Enrolled Employee for
Employer-Based Health Insurance—2009**

	Employee Contribution %	Employer Contribution %	Total %
United States	26%	74%	100%
Alabama	21%	79%	100%
Alaska	25%	75%	100%
Arizona	24%	76%	100%
Arkansas	25%	75%	100%
California	27%	73%	100%
Colorado	26%	74%	100%
Connecticut	21%	79%	100%
Delaware	25%	75%	100%
District of Columbia	27%	73%	100%
Florida	31%	69%	100%
Georgia	28%	72%	100%
Hawaii	25%	76%	100%
Idaho	25%	75%	100%
Illinois	26%	75%	100%
Indiana	27%	73%	100%
Iowa	23%	77%	100%
Kansas	27%	73%	100%
Kentucky	27%	73%	100%
Louisiana	29%	71%	100%
Maine	28%	72%	100%
Maryland	23%	77%	100%
Massachusetts	26%	74%	100%
Michigan	20%	80%	100%
Minnesota	26%	74%	100%
Mississippi	30%	70%	100%
Missouri	30%	70%	100%
Montana	33%	67%	100%
Nebraska	29%	71%	100%
Nevada	24%	76%	100%
New Hampshire	24%	76%	100%
New Jersey	22%	78%	100%
New Mexico	27%	73%	100%
New York	24%	76%	100%
North Carolina	25%	75%	100%
North Dakota	26%	74%	100%
Ohio	28%	72%	100%

Average Employee Plus One Premium per Enrolled Employee for Employer-Based Health Insurance—2009

Oklahoma	25%	75%	100%
Oregon	25%	75%	100%
Pennsylvania	23%	78%	100%
Rhode Island	26%	74%	100%
South Carolina	32%	68%	100%
South Dakota	28%	72%	100%
Tennessee	29%	71%	100%
Texas	29%	71%	100%
Utah	22%	78%	100%
Vermont	26%	74%	100%
Virginia	28%	72%	100%
Washington	27%	73%	100%
West Virginia	26%	74%	100%
Wisconsin	23%	77%	100%
Wyoming	24%	76%	100%

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